

## Message Text

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44

ACTION COME-00

INFO OCT-01 EUR-12 ISO-00 AGR-05 CEA-01 CIAE-00 DODE-00

EB-07 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04 TAR-01

TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 FEA-01 /093 W

----- 014601

R 310657Z JUL 75

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 3840

INFO AMEMBASSY BERLIN

ZEN AMEMBASSY BUCHAREST

AMEMBASSY MOSCOW

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY VIENNA

AMEMBASSY WARSAW

LIMITED OFFICIAL USE BUDAPEST 2438

E.O. 11652: NA

TAGS: ETRD, EIND, HU

SUBJECT: EXPORT RESTRICTIONS IMPOSED BY FOREIGN GOVERNMENTS

REF: A) STATE 146681 B) BUDAPEST 0300 (FEB 2, 1974)

1. IN HUNGARY FOREIGN TRADE IS STATE MONOPOLY READILY CONTROLLABLE  
BY  
GOVERNMENT FIAT. THEREFORE, FEW EXPORT RESTRICTIONS NEED  
EXIST.

2. TO BEST OF EMBASSY'S KNOWLEDGE, HUNGARIAN REGULATIONS INDICATE  
ONLY ONE RESTRICTION IN 1971-75 PERIOD (ORDER #10/1974 PUBLISHED  
DECEMBER 7, 1974). THIS EDICT AIMED PRIMARILY AT PRODUCTS WITH HIGH  
METAL CONTENT, INCLUDING "INDUSTRIAL METAL STRUCTURES," SCREWS, NAILS

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METAL CANS, WIRE MESH, AND POULTRY INCUBATORS.

3. EXCEPTIONS TO THIS RESTRICTION ARE POSSIBLE IF SALE CAN BE JUSTIFIED BY THE PROFITABILITY OF EXPORT, OR THE PRODUCT IS PART OF A COMPLETE PLANT BEING EXPORTED. FURTHERMORE, THESE RESTRICTIONS DO NOT APPLY TO ANY EXPORT WHICH IS PART OF A BILATERAL TRADE AGREEMENT CONTAINING OBLIGATORY QUOTAS OR ANY OTHER CONTRACT MADE PRIOR TO NOVEMBER 21, 1974.

4. RESOURCE-POOR HUNGARY HAS FEW, IF ANY, PRODUCTS OF PARAMOUNT INTEREST TO U.S., THOUGH UNTAPPED AMERICAN MARKET HOLDS GREAT POTENTIAL FOR FORWARD-THINKING MAGYAR TRADERS. AT PRESENT, DUE TO CREDIT SQUEEZE, DETERIORATING TRADE SITUATION, AND HUNGARIAN HANGUPS OVER U.S. TRADE ACT, GOH MUST INCREASINGLY RELY ON ITS CEMA PARTNERS. ONCE MFN HURDLE OVERCOME EMBASSY CONFIDENT THAT HUNGARIANS WILL IMPOSE FEW RESTRICTIONS ON EXPORTS TO LUCRATIVE U.S. MARKET.  
MCAULIFFE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORT CONTROLS, METALS  
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**Copy:** SINGLE  
**Draft Date:** 31 JUL 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MartinML  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**From:** BUDAPEST  
**Handling Restrictions:** n/a  
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**Original Handling Restrictions:** n/a  
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